DINING FACILITY INVENTORY
AND
ACCOUNT MANAGEMENT
?

AR 30-22 paragraph 3-26

- a. Inventory criteria. Dining facility inventory levels will be maintained using the following criteria:
- (1) The total dollar value of the monthly inventory (perishable and semi-perishable) will not exceed the total dollar value of dining facility earnings for a 6-day average period. The dollar value of earnings will be determined by using the previous months average daily earnings multiplied by six. If the dining facility was closed for an extended period, use the average daily earnings for last month that the facility was open.
- (2) The FPM will authorize in writing all adjustments to the inventory level policy.

Inventory Objective Value

- Subtracting Surplus from Inventory Value (IV) = Inventory Objective (IO).
- Take our Inventory Objective (IO) divide by six = Day's Earning (1DS)
- Take Inventory Value divided by day's of earnings (1DS) = Day of supply (DOS)
- Regulatory guidance is 6 DOS, IAW AR 30-22, para. 3-26

Surplus Inventory

➔Order only what we need, when we need it.

➔Let the Prime Vendor keep the warehouse, not us!

➔When we have a big surplus we are promoting waste, spoilage and over preparing.

➔The excess storage space that we use to store the excess can be used to better benefit our operation.

➔If we lower our surplus our man hours can be cut to a minimum

➔Pilferage is inviting itself into your operation with a large surplus….let’s keep Pilferage out!

Reducing Surplus Inventory

- Reduce your surplus over a period of time
  - Establish a good menu planning, ordering and inventory control procedures.
  - Don’t start running out of food as you start your reducing process.

- Establish a Cycle Menu
  - The Menu is the central management document around which the whole food service operation revolves.
  - A Cycle Menu is repeated after a set amount of time…i.e. Accounting Period-1 Month

Inventory Control

- Date all food items with date received
- Verify orders upon receipt with order you generated from AFMIS for accuracy
- Check ration storage areas on a routine basis to determine if rations are being used in a timely manner
  - SPV ordering sizes too big.
  - Be careful about reducing Prime Vendor Package sizes
  - Utilize dining facility transfers for case pack items when possible

Inventory Control

- Use the AFMIS transaction register report to track food items over a menu cycle or a month's time.
  - You should start tracking at the beginning of the month.
  - Use your Weekly/Monthly Inventories, SPV Receipts and Kitchen Requisitions

Ordering & Inventory Control

- Prior to ordering rations, check:
  - Balance on hand (BOH) – Stockage level report in AFMIS (currently in the DFAC), establish Par Stock Levels

    Physically check items of uncertainty
  - Due-ins - (foods already ordered and scheduled to be delivered)
  - Projected Use – food items programmed for use on the production schedules for that period

- All of the items mentioned above are on the AFMIS Order Worksheet Report and Stockage Level Report

- Review orders before they are sent, check the units of issue and quantities

Item	On-Hand	Due-In	Projected Use	Projected On-Hand	Order
Bacon	90 lb	40 lb	60 lb	70 lb	0
French Fries	250 lb	0	300 lb	-50 lb	50 lb
W Milk, Bulk	2 cont	2 cont	3 cont	1 cont	1 cont

Basic Formula = On-Hand plus Due-In minus Projected Use equals Projected On-Hand.
If Projected On-Hand is a negative number, you have to order this item in the quantity

Item	On-Hand Start date	Issue Date Item Cost	Projected Use	Projected liquidation date	Inventory Decrease amount
Cranberry Sauce	40 /#2.5 cns 01 May 07	15 Nov 06 $2.50	10 cns /week	01 June 07	$100.00
Chocolate Pudding	24 /#10 cns 01 May 07	23 Jan 07 $6.70	6 cns /week	01 June 07	$160.80

Inventory Control

- Review stockage level report against production schedules for :
  - Actual use vs. Projected use
  - Were your projections correct based on portions prepared?
  - Adjust portions to prepare on the production schedules to the historical actual portions used

- Conduct and track weekly/monthly inventories
  - Field residuals - do not put in inventory, incorporate into menus as soon as possible
  - Case pack meats not used completely for one meal not programmed for use in menus during the same week
  - Slow or non moving items i.e. beets, cranberry sauce and sauerkraut incorporate into menus

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